



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Discussion and Action on Contracts with Greyhound Lines and MV Transportation and Adopt Resolutions Related to Greyhound Ticket Sales as Appropriate

MEETING DATE: July 16, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Discuss and act on contract with Greyhound Lines to consider 1) adopting a resolution amending the contract for ticket sales with Greyhound Lines and revising the Commission Agreement with MV Transportation or 2) adopting a resolution terminating the contract with Greyhound Lines.

BACKGROUND INFORMATION: In January 2006, the City of Lodi entered into an agreement with Greyhound Lines, Inc., to operate as the authorized ticket agent in Lodi. Prior to contracting with the City, Greyhound contracted with another individual for ticket sales within the City of Lodi. The former ticket agent rented space in the Lodi Multimodal Station North Annex and paid rent to the Transit division. When the former ticket agent ceased to continue paying the rent, the City Council acted to terminate the contract for the space which resulted in Greyhound Lines terminating their contract with that ticket agent. Subsequently, Greyhound Lines approached the City to ascertain if the City would be willing to act as the contracted ticket agent. Greyhound Lines offered the City the same commission rates as had been paid to the independent ticket agent.

The current agreement with Greyhound Lines consists of the City staffing a ticket sales operation (provided through our Transportation Operations Contract with MV Transportation, Inc.) and providing the facility in exchange for a 15% commission on ticket sales at the Lodi Station. This commission has recently averaged approximately \$1,500 a month. In April, Greyhound Lines sent a letter notifying the City of a reduction in the commission to 9%. Staff contacted Greyhound and noted that the contract states 15%. Staff requested and has received from Greyhound written request to amend the contract (Exhibit A) and is hereby presenting this to the Council.

As part of the arrangement to provide Greyhound ticket sales in Lodi, the City amended its contract with MV Transportation to have MV provide the staffing in return for splitting the commission 7.5%/7.5%. The new contract, adopted June 18, 2008, anticipated the commission staying at 15% and the split remaining 7.5%/7.5%. With the requested reduction in the commission to 9%, staff recommends that should the Council amend the contract with Greyhound Lines to reduce the commission, then the contract with MV Transportation should also be amended to change the commission split to 7.5%/1.5%. The proposed change in the commission split is to preserve the revenue for MV Transportation that is responsible for staffing the Greyhound service. The ticket service was bid as part of the contract for Transit operations and the cost presented to the City anticipated MV receiving 7.5% of the commission. The change in the commission split will reduce revenues to the Transit Fund by approximately \$600 per month.

APPROVED:


Blair King, City Manager

The other option available to the City Council is to terminate the contract with Greyhound Lines. Should the City terminate the contract, Greyhound Lines will attempt to find an agent at an alternative location.

FISCAL IMPACT: The two proposed actions will reduce the funding received by Transit by offering Greyhound service. The loss of commission revenue to the Transit Fund is anticipated to be approximately \$600 per month.

FUNDING AVAILABLE: None required.



F. Wally Sandelin
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager

FWS/TMF/pmf

Attachment

cc: Tiffani Fink, Transportation Manager
Liz Diaz, MV Public Transportation

AMENDMENT

This Amendment is made to be effective the 11th of April 2008, by and between GREYHOUND LINES, INC., a Delaware corporation, ("Greyhound"), and City of Lodi ("Contractor").

WHEREAS, the parties hereto entered into that certain Standard Independent Contractor Agreement ("Agreement") dated January 9, 2006; and

WHEREAS, the parties desire to amend the Agreement in accordance with the terms set forth below.

IT IS HEREBY AGREED, in consideration of the premises, the mutual covenants contained herein and other good and valuable consideration in hand paid, the parties hereto agree as follows:

1. The Agreement is hereby amended by deleting and inserting in its stead the following:

1. COMPANY AGREE§:

A. To pay Contractor the following commissions:

1. On transportation charges collected by Contractor from sale of tickets (including tickets of other bus carriers operating under Company approved bus terminal license agreements), except as hereinafter provided: **Nine Percent (9%);**
 2. On transportation charges collected by Contractor from the sale of commutation tickets or books or other multiple ride tickets: **Nine Percent (9%);**
 3. On transportation charges for express shipments, whether prepaid, collector C.O.D., received from the consignor at the Facility: **Fifteen Percent (15%);**
 6. On excess baggage charges collected by Contractor: **Fifteen Percent (15%);**
2. Except as otherwise provided herein, the terms and provisions of the Agreement, as previously modified or amended, shall remain in full force and effect.

This Amendment is executed to be made effective the day and year first above written.

GREYHOUND LINES, INC.
a Delaware corporation

By: _____

Title: _____

CONTRACTOR

By: _____

Title: _____

Approved by Legal 2/27/02

RESOLUTION NO. 2008-144

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE AN
AMENDMENT WITH GREYHOUND LINES, INC., TO
REDUCE TICKET SALES COMMISSION

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WHEREAS, the City of Lodi (through the City's Transit Contractor, MV Transportation) has been acting as the authorized agent for Greyhound since February 2006; and

WHEREAS, Greyhound Lines, Inc., has requested to lower the ticket sales commission percentage to **9%**.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an amendment to the contract with Greyhound Lines, Inc., to reduce the commission for ticket sales to 9%.

Dated: July 16, 2008

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I hereby certify that Resolution No. 2008-144 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 16, 2008, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Katzakian, and Mayor Mounce

NOES: COUNCIL MEMBERS – Hitchcock and Johnson

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk

RESOLUTION NO. 2008-145

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE AMENDMENT TO CONTRACT FOR
FIXED ROUTE, PARATRANSIT, AND DEMAND RESPONSE
SERVICES WITH MV TRANSPORTATION TO REFLECT A
GREYHOUND TICKET COMMISSION SPLIT OF 7.5% MV / 1.5% CITY

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize amendment to the contract for fixed route, paratransit, and demand response
services with MV Transportation to reflect a Greyhound ticket commission split of 7.5%
MV / 1.5% City.

Dated: July 16, 2008

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I hereby certify that Resolution No. 2008-145 was passed and adopted by the
City Council of the City of Lodi in a regular meeting held July 16, 2008, by the following
vote:

AYES: COUNCIL MEMBERS – Hansen, Katzakian, and Mayor Mounce

NOES: COUNCIL MEMBERS – Hitchcock and Johnson

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


BANDI JOHL
City Clerk

CITY COUNCIL

JOANNE L. MOUNCE, Mayor
LARRY D. HANSEN,
Mayor Pro Tempore
SUSAN HITCHCOCK
BOB JOHNSON
PHIL KATZAKIAN

CITY OF LODI
PUBLIC WORKS DEPARTMENT

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BLAIR KING
City Manager
RANDI JOHL
City Clerk
O. STEVEN SCHWABAUER
City Attorney
F. WALLY SANDELIN
Public Works Director

July 11, 2008

MV Public Transportation
Liz Diaz, General Manager
24 S. Sacramento Street
Lodi, CA 95240

SUBJECT: Discussion and Action on Contract with Greyhound Lines to Either 1) Adopt Resolution Amending Contract for Ticket Sales to Reduce Commission Received and Adopting Contract Amendment No. 1 with MV Transportation to Modify Commission Rate and Split or 2) Adopt Resolution Terminating Contract with Greyhound Lines

Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, July 16, 2008. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the regular calendar for Council discussion. You are welcome to attend.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Randi Johl, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Tiffani Fink, Transportation Manager, at 333-6800, extension 2678.



for: F. Wally Sandelin
Public Works Director

FWS/pmf

Enclosure

cc: City Clerk